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PRESS RELEASE

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Committee Supports Natural Gas Rate Reduction

SALT LAKE CITY, UT - Today the Utah Committee of Consumer Services (Committee) supported Questar's proposed pass-through rate reduction of \$93.7 million. This decrease amounts to \$8.67 (or 8 percent) on the typical residential customer's average monthly bill. The Committee is currently examining all of the pass-through rate changes since May 2005 to ensure gas costs passed on to customers are reasonable.

Also, on January 31, the Committee requested that the Public Service Commission of Utah (Commission) approve a \$10.2 million interim rate reduction that Questar included with a proposal for a new ratemaking method. The Division of Public Utilities and Utah Clean Energy joined Questar in requesting this change.

"The \$93.7 million reduction is a direct result of current and projected lower market gas prices, gas that Questar Gas will purchase on the open market. The \$10.2 dollar reduction would be a result of changes in internal Questar financial cost allocations," explains Committee Chair Dee Jay Hammon. "However, this reduction is contingent upon simultaneously approving fundamental changes to the method used to determine Questar's authorized income. Since this is a critical issue, the Committee will thoroughly examining this proposal before it is approved."

Therefore, the Committee asked the Commission to more carefully study the impact on retail customers of Questar's proposal to charge its customers the same amount regardless of the customer's own reduction in usage. The Committee will also ask the Commission to thoroughly examine requirements for designing and implementing energy conservation programs. The Committee's letter to the Commission is attached.

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